



4310-MR-P

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

30 CFR Parts 550, 556, 559 and 560

RIN 1010-AD06

[Docket ID: BOEM-2016-0031]

Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf

MMAA104000

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Final rule.

SUMMARY: This final rule clarifies the language in one section of a final rule that the Bureau of Ocean Energy Management (BOEM) published in the Federal Register on March 30, 2016, and that became effective on May 31, 2016.

DATES: Effective [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Robert Sebastian, Office of Policy, Regulation and Analysis at (504) 736-2761 or email at robert.sebastian@boem.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On March 30, 2016, BOEM published in the *Federal Register* (81 FR 18111), a final rule entitled Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf, (leasing rule) which updated and streamlined the Outer Continental Shelf (OCS) oil and gas and sulfur leasing regulations, and became effective on May 31, 2016. On May 24, 2016, BOEM published a

proposed rule to revise the leasing rule in order to clarify the language in one definition in Part 556 of that rule (81 FR 32694). In this final rule, BOEM amends 30 CFR 556.105 to revise that definition.

II. Analysis

Section 556.105 Acronyms and definitions

The term “You” was defined in Section 556.105 of the leasing rule by providing a list of categories of persons to whom the term applies. The definition also included an introductory sentence to clarify that some persons not yet in a legal relationship with BOEM were affected by portions of Part 556. That definition read as follows: “*You* means any party that has, or may have, legal obligations to the Federal government with respect to any operations on the OCS in which it is or may become involved. Depending on the context of the regulation, the term “you” may include a lessee (record title owner), an operating rights owner, a designated operator or agent of the lessee, a predecessor lessee, a holder of a State or Federal RUE, or a pipeline ROW holder.”

The first sentence of that definition, by its reference to operations, might have caused confusion as to who is considered to be subject to the regulations in Part 556. Therefore, BOEM published a proposed rule and solicited public comments on its proposal to change the wording of the definition. In order to clarify the meaning of the definition, BOEM proposed to remove the introductory sentence of the definition and add specific references to: a bidder; a prospective bidder; and an applicant seeking to become an assignee of record title or operating rights. Those changes clarified the categories of persons who (depending on the context of the regulations) must comply with certain sections of Part 556, without the ambiguity of the definition as it was stated in the leasing rule.

BOEM also proposed to clarify the term “a holder of a State or Federal RUE” contained in the definition. A RUE is not correctly described as being “State” or “Federal.” Rather, a RUE should be described on the basis of whether it is granted in order to service or support either a State or a Federal lease. Therefore, a holder of a RUE (the person to whom the RUE is granted) is correctly referred to as a “RUE holder for a State or Federal lease.”

III. Final Rule and Response to Comments

BOEM received two comments on the proposed rule. One of those comments was non-substantive, while the other commended BOEM for its efforts to update and streamline the OCS oil and gas and sulfur leasing regulations, including the clarification at issue in this rulemaking. Neither comment recommended any changes to the proposed rule’s definition of “you.” As a result, neither comment resulted in any changes to the proposed rule. Therefore, the final rule incorporates the exact wording of the proposed rule’s definition of “you” into Section 556.105.

As amended, the definition of “you” in Section 556.105 will read: “*You*, depending on the context of the regulations, means a bidder, a prospective bidder, a lessee (record title owner), an operating rights owner, an applicant seeking to become an assignee of record title or operating rights, a designated operator or agent of the lessee, a predecessor lessee, a RUE holder for a State or Federal lease, or a pipeline ROW holder.”

IV. Procedural Requirements

Section V, Legal and Regulatory Analyses, of the leasing rule issued on March 30, 2016 (81 FR 18145), summarizes BOEM’s analyses of the rule pursuant to applicable statutes and executive orders. This amendment to that rule would not change any conclusion described in that section, because the amendment is only intended to clarify the meaning of one definition in one provision of the regulatory text in the leasing rule and would not require any additional

actions by either BOEM or the regulated community. Therefore, no additional analysis is necessary.

List of Subjects in 30 CFR Part 556

Administrative practice and procedure, Continental shelf, Environmental protection, Federal lands, Government contracts, Intergovernmental relations, Oil and gas exploration, Outer continental shelf, Mineral resources, Reporting and recordkeeping requirements.

Dated: September 9, 2016.

Amanda C. Leiter
Acting Assistant Secretary - Land and Minerals Management

For the reasons stated in the preamble, BOEM amends 30 CFR Part 556 as follows:

PART 556—LEASING OF SULFUR OR OIL AND GAS AND BONDING

REQUIREMENTS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 556 continues to read as follows:

Authority: 30 U.S.C. 1701 note, 30 U.S.C. 1711, 31 U.S.C. 9701, 42 U.S.C. 6213, 43 U.S.C. 1331 note, 43 U.S.C. 1334, 43 U.S.C. 1801-1802.

2. Revise § 556.105 to amend the definition of “you” to read as follows:

§ 556.105 Acronyms and definitions.

* * * * *

You, depending on the context of the regulations, means a bidder, a prospective bidder, a lessee (record title owner), an operating rights owner, an applicant seeking to become an assignee of record title or operating rights, a designated operator or agent of the lessee, a predecessor lessee, a RUE holder for a State or Federal lease, or a pipeline ROW holder.

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